

VIA OVERNIGHT DELIVERY

June 29, 2017

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JUN 30 2017

Ms. Elizabeth Rolando
Chief Clerk
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62701

ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

Subject: First Annual Commercial Future Energy Rate Impact Report for Commonwealth Edison Company

Dear Ms. Rolando:

Enclosed for filing with the Illinois Commerce Commission (ICC) on June 30, 2017, is the First Annual Commercial Future Energy Rate Impact Report for Commonwealth Edison Company (ComEd) required under the Illinois Public Utilities Act (Act), Section 16-108.16.

In accordance with Section 16-108.16(c)(1) of the Act, the enclosed report provides information that sets forth 10-year projections of the values of each of the components in the rate impact formula. The report must also identify the result of the computation for the immediately preceding calendar year and update its 10-year projection. As this is the first year of implementation, the preceding year's actual information is not provided. The information pertains to all nonresidential retail customers currently served by ComEd that are not in the Exempt Group, as defined in the General Terms and Conditions of ComEd's Schedule of Rates.

The following table shows the results of the computation for the 10-year projection, on a cumulative year-to-year basis.

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<i>Cumulative Future Energy Investment Net Cost/(Benefits) (¢/kWh)</i>	(0.33)	(0.26)	(0.23)	(0.21)	(0.20)	(0.18)	(0.16)	(0.14)	(0.13)	(0.11)

June 29, 2017

The commercial cumulative rate impacts are below the 1.3% of 8.9 c/kWh (0.12c/kWh) limit specified in Section 16-108.16(c)(1) of the Act in each of the projected 10 years. Consequently, ComEd does not intend to propose any decrease to future energy investment costs pursuant to Section 16-108.16(c)(2) at this time.

Enclosed are two copies of this transmittal letter, the report, and a summary of the report with detailed information pertaining to the rate impact for commercial customers that are not in the Exempt Group served by ComEd (marked "DUPLICATE") for transmission to Mr. David Brightwell (Economic Analyst: Policy Program - Policy Division), Mr. Torsten Clausen (Director of Policy: Policy Division), Ms. Theresa Ebrey (Accountant: Accounting Department - Financial Analysis Division), Ms. Jennifer Morris (Economic Analyst: Policy Division), Mr. Scott Struck (Manager: Rates Department - Financial Analysis Division), and Dr. Jim Zolnierек (Bureau Chief), all of the Bureau of Public Utilities of the ICC Staff.

In addition, two extra copies of this transmittal letter, report, and summary are provided. One set of such letter, report, and summary is provided for your convenience in acknowledging receipt of this letter and enclosures and is to be returned to Commonwealth Edison Company in the enclosed self-addressed, stamped envelope.

Sincerely,

A handwritten signature in dark ink, appearing to read "Martin G. Fruehe". The signature is fluid and cursive, with the first name "Martin" being the most prominent part.

Martin G. Fruehe
Manager Retail Rates
(630) 437-2063

MGF/cms

Enclosures

cc: D. Brightwell
T. Clausen
T. Ebrey
J. Morris
S. Struck
J. Zolnierек

**Commonwealth Edison Company Commercial Future Energy Rate Impact Report
Summary**

Published: June 30, 2017

ComEd Commercial Future Energy Rate Impact Report

The First Annual Commonwealth Edison Company Commercial Future Energy Rate Impact Report (“ComEd Commercial Report”) identifies the projected average changes in the typical commercial customer’s energy bills due to future energy investment costs over 10 years, in compliance with 220 ILCS 5/16-108.16 of the Public Utilities Act (Act). Rate impacts for commercial customers are not to exceed 1.3% of the average 2015 commercial rate of 8.9 cents per kilowatt hour (kWh), or as calculated, 0.12 cents per kWh annually, based on a year-to-year rolling-average, on either an actual or projected basis. As provided in the ComEd Commercial Report, the projected average increases in the typical commercial customer’s energy bills, related to the future energy investment costs, when netted with the associated benefits, do not exceed the 0.12 cents per kWh cap.

The ComEd Commercial Report is comprised of two sections:

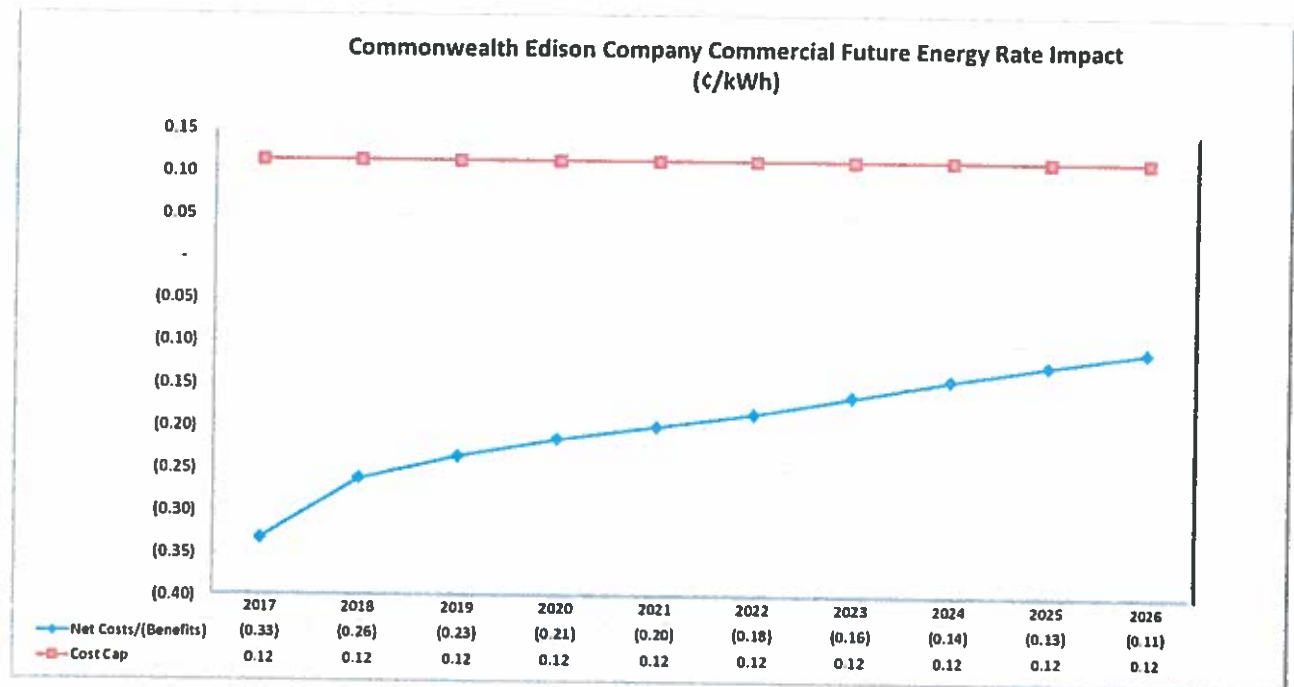
- (1) the energy investment costs, which are the expenditures related to energy efficiency, zero emissions standards, and distributed generation programs; and
- (2) the energy savings benefits, which are the net energy savings benefits attributable to the implementation of voltage optimization, the 2016 energy efficiency baseline value, and the incremental energy efficiency benefit.

The sum of the energy investment costs and the energy savings benefits is the cents per kWh net benefit of future energy investments to commercial customers.

In summary, as demonstrated within the ComEd Commercial Report and in the following chart (Exhibit 1), the rolling-average annual rate impacts of future energy investments for commercial customers are below the cap of 0.12 cents per kWh and range from reductions of 0.33 cents per kWh to 0.11 cents per kWh between 2017 and 2026.

ComEd Commercial Future Energy Rate Impact Report

Exhibit 1:



Commonwealth Edison Company **Commercial** Future Energy Rate Impact Report

Pursuant to Public Utilities Act (PUA) Section 16-108.16
Filing Year: 2017 (1)

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Future Energy Investment Costs Components (\$/kWh)										
1 Energy Efficiency Costs (2)	(0.06)	0.02	0.09	0.15	0.20	0.26	0.35	0.43	0.49	0.54
2 Zero Emission Standard (ZES) Costs (3)	0.12	0.20	0.19	0.19	0.20	0.20	0.20	0.20	0.20	0.20
3 Distributed Generation Program Costs (4)	0.00	0.00	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.03
4 Total Future Energy Investment Costs (\$/kWh)	0.06	0.21	0.28	0.35	0.41	0.48	0.56	0.64	0.70	0.76
5 Total Cumulative Average Future Energy Investment Costs (\$/kWh)	0.06	0.14	0.18	0.23	0.26	0.30	0.34	0.37	0.41	0.44
Future Energy Investment Benefits (\$/kWh)										
6 Net Voltage Optimization Benefit (5)		(0.00)	(0.01)	(0.01)	(0.02)	(0.02)	0.00	0.00	0.01	0.01
7 2016 Energy Efficiency Baseline Value (6)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)
8 Incremental Energy Efficiency Benefit (7)	(0.03)	(0.04)	(0.03)	(0.13)	(0.17)	(0.20)	(0.24)	(0.28)	(0.33)	(0.37)
9 Total Future Energy Investment Benefit (\$/kWh)	(0.39)	(0.41)	(0.46)	(0.50)	(0.55)	(0.56)	(0.60)	(0.64)	(0.69)	(0.72)
10 Total Cumulative Future Energy Investment Benefit (\$/kWh)	(0.39)	(0.40)	(0.42)	(0.44)	(0.46)	(0.48)	(0.50)	(0.52)	(0.54)	(0.55)
11 Total Cumulative Future Energy Investment Net Costs and Benefits (\$/kWh)	(0.33)	(0.28)	(0.23)	(0.21)	(0.26)	(0.18)	(0.16)	(0.14)	(0.13)	(0.11)
12 Cost Cap (1 3% of 8.90 c/kWh 2015 rate) (8)										
13 Amount Above(Below) Cost Cap (\$/kWh) (9)	(0.45)	(0.39)	(0.35)	(0.33)	(0.31)	(0.30)	(0.28)	(0.26)	(0.24)	(0.22)

Notes

- (1) Values for the current filing year and future years are projected. Values subject to rounding.
- (2) Energy Efficiency Costs means costs incurred by the utility under Sections 8-103, 8-103B and 18-111.5B of the Public Utilities Act (Act), as such costs may be recovered under subsection 16-108(k) of the Act.
- (3) ZES Costs means costs incurred by the utility under subsection 1-75(d-5) of the Illinois Power Agency Act as such costs may be recovered under subsection 16-108(k) of the Act.
- (4) Distributed Generation Program Costs include Solar Rebate Program Costs incurred by the utility under Section 18-107.6 of the Act.
- (5) Voltage Optimization Benefit means the net energy savings to commercial and industrial retail customers that are attributable to the implementation of voltage optimization measures under Section 8-103B of the Act minus the measure costs recovered from those customers, divided by the average annual kilowatt-hour consumption of commercial and industrial retail customers. However, a utility may elect not to include an estimate of net energy savings as described herein, in which case the value of Voltage Optimization Benefits is zero.
- (6) 2016 Energy Efficiency Baseline Value the average annual cents-per-kilowatt-hour rate applied under Section 8-103 of the Act to commercial and industrial retail customers during calendar year 2016 to recover the costs authorized by such Section.
- (7) Incremental Energy Efficiency Benefit means incremental energy savings, calculated as set out in Section 16-108.16(b)(2)(C).
- (8) 8.90 cents per kilowatt-hour as reported to the Edison Electric Institute (EEI).
- (9) The benefits/savings identified in this report are stated values and/or projections made pursuant to, and largely limited by, the requirements in the Future Energy Jobs Act. There may be broader benefits associated with FEJA investments that are not reflected in this rate impact report, consistent with statutory requirements.